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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

November 16, 2011

Steve Clement
SK Materials, LLC
224 South Main Street, # 554
Springville, Utah 84663

Subject: Permit to Commence Small Mining Activities, SK Materials, LLC, Ekins #2, S/049/0088, Utah County, Utah

Dear Mr. Clement:

The Division of Oil, Gas and Mining finds your Notice of Intention to Commence Small Mining Operations (Notice) complete and approves the reclamation surety for the Ekins #2 mine. You are now permitted to conduct mining activities as outlined in the Notice provided you have approval from all other appropriate agencies. The approval or acceptance of a complete notice of intention does not relieve an operator from his responsibility to comply with the applicable statutes, rules, regulations, and ordinances of all local, state and federal agencies with jurisdiction over any aspect of the operator's mining operations. Enclosed please find a copy of the reclamation contract and stamped approved Notice.

Please keep in mind the following regulatory requirements:

- Stockpiling topsoil material prior to beginning activities will help ensure successful revegetation. Even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory surety release.
- If you encounter any archaeological or historical items, you are asked to notify this office, and State History of your find.
- Permit fees and annual reports are due by January 31st.

The Division's web page at <http://ogm.utah.gov> under the Mining Program has a link to the rules under which you are expected to operate and to other information to assist you in complying with program requirements. Thank you for your cooperation. In reply, please refer to file number S/049/0088. If you have questions or concerns regarding this letter, please contact Paul Baker at 801-538-5261 or Lynn Kunzler at 801-538-5310.

Sincerely,

[Handwritten signature]
Dana Dean, P.E.
Associate Director, Mining

DD:lk:eb

Enclosure: Copy of approved NOI, and Reclamation Contract

cc: Peggy Kelsey, Utah county Planning (peggyk@utah.gov)

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